

Prospect Capital Corporation  
 Series A, M1 & M2 Convertible Preferred Stock

## Instructions

Prospect Capital Corporation (PSEC) accepts conversion requests on a continual basis with deadlines on the 15th (or the preceding business day if the 15th is not a business day) and last business day of every month. Please allow approximately 15-30 calendar days for processing upon a submission of a conversion request that is in good order. Requests will be processed twice a month. PSEC may elect to settle conversion of preferred shares in cash or common stock in accordance with the terms of the preferred shares and that decision will be made on an individual conversion basis. Any cash proceeds will be remitted based upon instructions provided on this form. The default payment method is via check. A wire can be requested but a \$100 fee will be deducted from the payment to the shareholder. ACH however is not permitted. If proceeds are in the form of common stock then a DWAC (Deposit/ Withdrawal at Custodian) of shares will be remitted based upon instructions provided on this form. On this form please check an option for both stock or cash payments. Physical certificates will not be remitted to the investor.

PSEC's transfer agents may coordinate further with institutions based upon the information provided to properly deliver cash or shares of common stock.

**Death Redemptions:** Please include a copy of the Death Certificate and a certified copy of the powers appointing the executor of the estate. Death redemption will be processed on approximately the same time frame as conversion requests.

**Trust Conversions / Redemptions:** Please include a copy of the Trust Documents.

For all conversions and redemptions include a completed form and a recent statement showing ownership of the PSEC's preferred shares if held in a brokerage account. Please send all paperwork to the following address: Preferred Capital Securities 3284 Northside Parkway NW, Suite 150 Atlanta, GA 30327 Attn: Investor Services - Conversions, For any help or questions please call 855-422-3223 or email [investorservices@pcsalts.com](mailto:investorservices@pcsalts.com)

## Conversion Fee Details

All conversions are completed at stated value, which is \$25 per share. A conversion fee may apply based upon the original purchase date and the length of time the preferred shares were outstanding; the conversion fee schedule is as follows:

Year	Series A	Series M1 & M2
1	9%	0%*
2	8%	
3	7%	
4	6%	
5	5%	

\*For Series M (M1 & M2) Preferred: During year one, the settlement amount is reduced by the aggregate amount of all dividends, whether paid or accrued, on such M Share in the three full months prior to the exercise date. For all preferred shares, the conversion fee drops to 0% following the last conversion fee in the chart above.

To find the conversion schedule for your specific CUSIP please consult your advisor or our website [www.pcsalts.com](http://www.pcsalts.com). Click on the Investment Programs in the upper right hand corner, select Prospect Capital Series A and M Offering Information, your Preferred Series, and locate your CUISP based up the the directions on the page.

# Conversion Request

Full Conversion

Partial Conversion

Death Redemption

Number of shares for conversion/ redemption

Preferred CUSIP

## Investor Information

Advisor Name

Social Security or Tax ID

Co-Investor Name

Social Security or Tax ID

Address

City, State & Zip

Daytime phone number

Email Address

## Conversion / Redemption Proceeds Instructions (IMPORTANT - select an option for cash delivery AND an option for stock delivery)

CASH	STOCK			Account #
		Have stock or cash remitted to my (PSEC preferred stock) Computershare account		
		Have stock or cash remitted to qualifying brokerage account	Institution Name & address	Account #
		Have cash remitted via check to the following address:	Name & address	If third party include Account #
		Have cash remitted to the following third party bank account via	Bank Name	Routing # Account #

## Investment Acknowledgments & Signatures

The undersigned is the owner (or duly authorized agent of the owner) of the shares presented for conversion and thus is authorized to present the shares for conversion or redemption. The shares presented for conversion are eligible for conversion or redemption pursuant to the terms of the preferred shares. The shares are fully transferable and have not been assigned, pledged, or otherwise unencumbered in any way. The undersigned acknowledges that the company has the choice to convert the shares by delivering stock or cash in accordance with the terms of the preferred shares. The undersigned acknowledges that there may be a conversion fee. The undersigned hereby indemnifies and holds harmless PSEC, and its respective officers and directors from and against any liabilities, damages, expenses including reasonable legal fees, arising out of or in connection with any misrepresentation made herein.

Investor Signature Co-

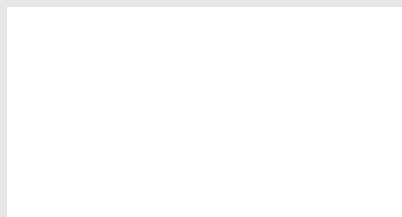
Custodian  
*(if qualified account)*

Investor Signature Date:

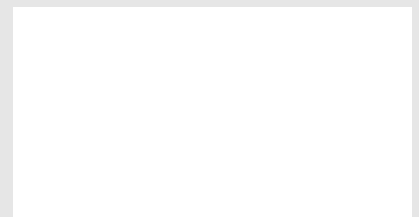
Custodian Signature

/ /

Date: / /



Medallion Stamp Signature Guarantee



Medallion Stamp Signature Guarantee

